[30th January 1936

Deposit of the funds of local bodies and municipalities into the District Urban Banks.

* 610 *Q.*—Mr. K. A. NACHIYAPPA GOUNDER: Will the Hon. the Minister for Local Self-Government be pleased to state—

(*a*) whether orders have been passed providing stringent rules in the matter of local boards and municipalities investing deposits in the District Urban Banks;

(*b*) if so, whether a copy of each of such orders will be placed on the table;

(*c*) what the reasons are that weighed with the Government for passing such orders;

(*d*) whether representations have been received either from the Central banks or from the local boards and municipalities concerned to relax those rules; and

(*e*) if so, from whom and when; and what orders have been passed thereon?

A.—(*a*) *to* (*c*) A copy of G.O. No. 5210, L. & M., dated 13th December 1933, is laid on the table.[a]

(*d*) & (*e*) No.

Mr. K. A. NACHIYAPPA GOUNDER:—"In view of the fact that several district banks are in need of deposits will the Government consider the desirability of cancelling or modifying the orders?"

The Hon. the RAJA OF BOBBILI:—"Even now there is no prohibition. Deposits should be made with the permission of the Registrar of Co-operative Societies. Some time back this restriction was placed in the interests of the co-operative banks on the recommendation of the Registrar. Even now there is no prohibition. The only restriction is that the permission of the Registrar should be obtained."

Mr. P. V. KRISHNAYYA CHOUDARI:—"Is it not a fact, Sir, that the Registrar refuses permission without assigning reasons?"

The Hon. the RAJA OF BOBBILI:—"It may be a fact. The grounds are that co-operative banks have large surpluses for which they could not find an opening. It was considered necessary that some restriction should be placed in the interests of the banks themselves."

Scheme, if any, for the utilization of the grant of Rs. 16 lakhs given by the Government of India.

* 611 *Q.*—Mr. U. C. SUBRAHMANYA BHATT: Will the Hon. the Minister for Local Self-Government be pleased to state whether the Government of Madras have made any plan or scheme for utilizing the amount of Rs. 16 lakhs given by the Government of India to the Madras Government; if so, whether the Hon. Minister will be pleased to place on the table a detailed explanation of the said scheme?

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[a] Printed as Appendix V on pages 227–228 infra.